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Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	
)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	

NOTICE OF FILING OF APRIL 18, 2023, HEARING PRESENTATION

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby file the presentation (the “Presentation”), attached hereto as **Exhibit A**, that will be used at the hearing that will take place on **Tuesday, April 18, 2023 at 10:00 a.m., prevailing Eastern Time** (the “Hearing”) before the Honorable Martin Glenn, Chief United States Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

PLEASE TAKE FURTHER NOTICE that copies of the Presentation and other pleadings filed in the above-captioned chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <http://www.cases.stretto.com/celsius>. You may also obtain copies of any pleadings by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

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New York, New York
Dated: April 17, 2023

/s/ Joshua A. Sussberg

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Presentation



Ongoing Activities Update

April 2023



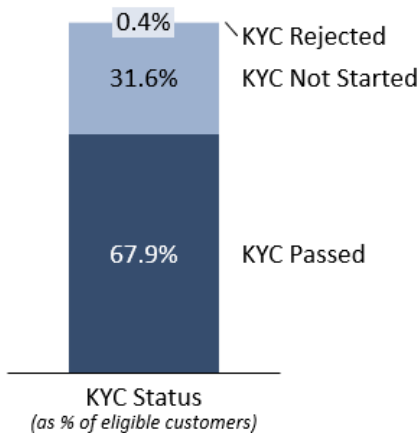
Custody Withdrawals

- ❑ 68% of users or 89% of total value has passed KYC
- ❑ \$32mm of completed withdrawals representing 65% of the distributable value
- ❑ Withdrawals have recently slowed and \$17mm or 35% of value remains on the platform

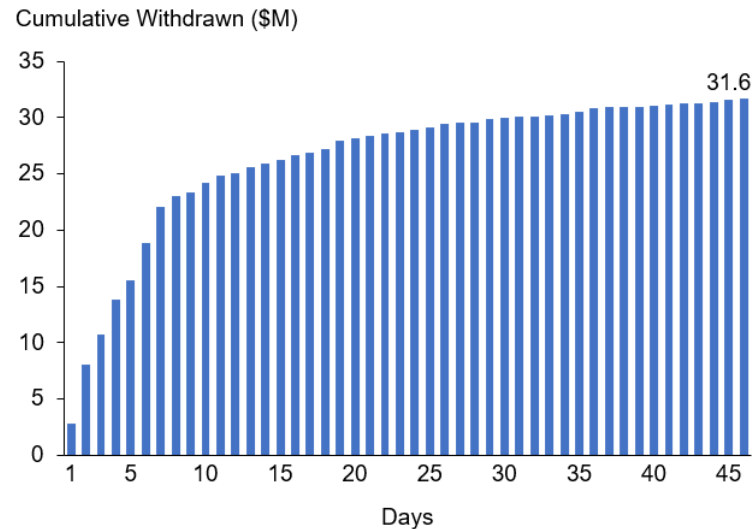
Settlement Opt-in Status

- ❑ 37% of eligible customers or 55% of value have opted into the settlement - eligible users have until April 24th to vote

KYC Status



Withdrawal Status





Mining Update

22-10964-mg Doc 2490 Filed 04/17/23 Entered 04/17/23 22:35:38 Main Document

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Rig Deployments

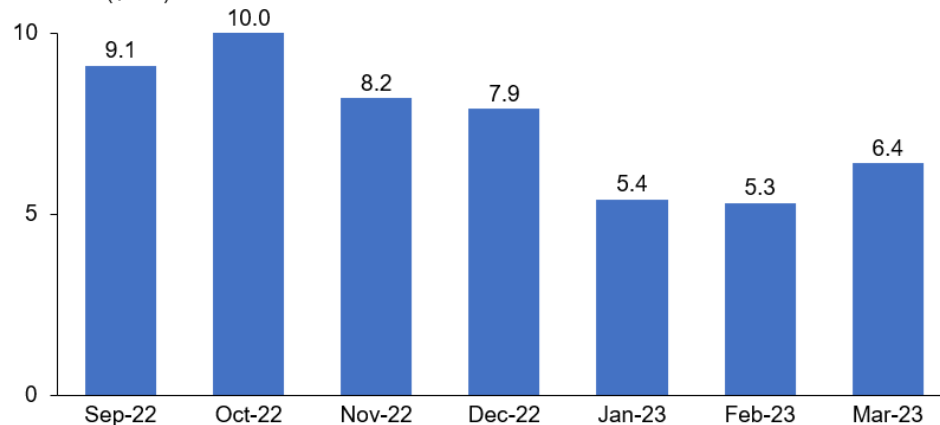
- ☐ ~45k rigs deployed at the end of March - an increase of 28% from February due to the continued ramp at the OKC facility with ~17K miners deployed in March
- ☐ Executed hosting agreement at a site in Harding MT - expect to deploy 13K miners by early May

Highlights

- ☐ Adjusted EBITDA of \$0.9mm for March - down 9% from February
 - ☐ Total revenue of \$6.4mm is a 20% increase from February
 - ☐ Adjusted Gross Margin of 16% is down 14% from February - driven by a 16% lower uptime (economic curtailment from spikes in energy costs) and a 12% higher network hash
 - ☐ Average revenue per mined Bitcoin of \$24,843 is an increase of 7% from February

Key Metrics	March 2023	February 2023	Diff. ⁽³⁾
BTC Production	257	230	12%
Avg. BTC Produced per Day	8.3	8.2	1%
Revenue (\$mm)	\$6.4	\$5.3	20%
Adjusted Gross Margin ⁽¹⁾	16%	30%	-14%
EBITDA (\$mm)	\$0.9	\$1.0	-9%
Ending Rigs Deployed	45101	35307	28%
Uptime ⁽²⁾	59%	75%	-16%
Network Hash (TH/s)	332	297	12%

Revenue (\$mm)



(1) Adjusted Gross Margin is after deduction of power cost, hosting services, operating cost as well as profit share

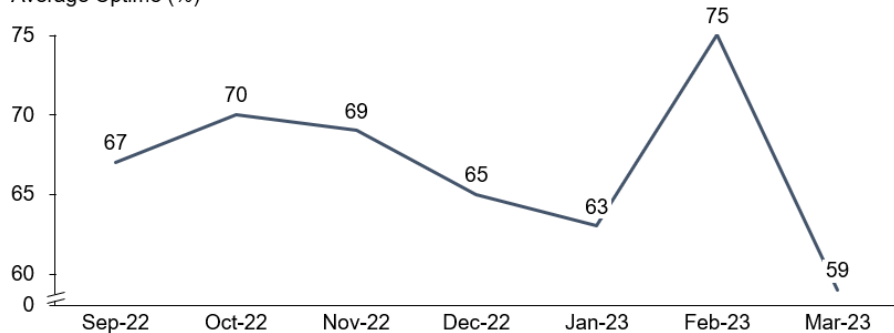
(2) Defined as the number of mining equipment in operation as a percentage of the total equipment deployed

(3) Adjusted Gross Margin and Uptime differences between two months are the rate differences and the rest of the metrics are using change rate

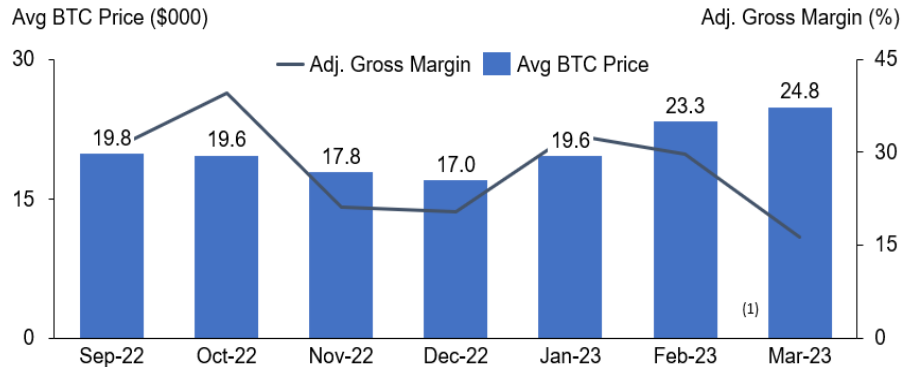


Mining March 2023 Trending

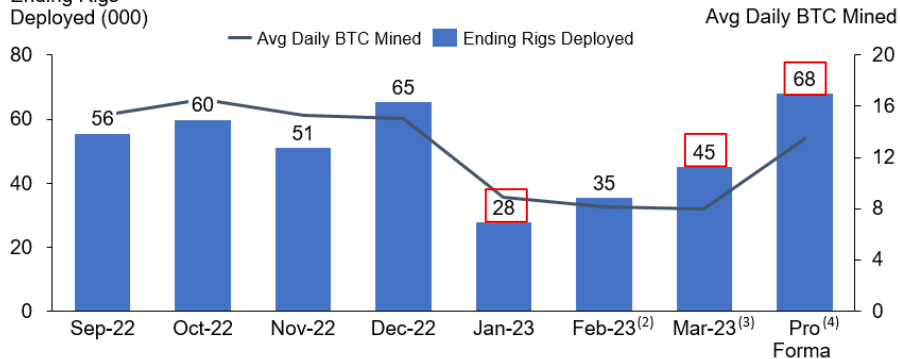
Average Uptime (%)



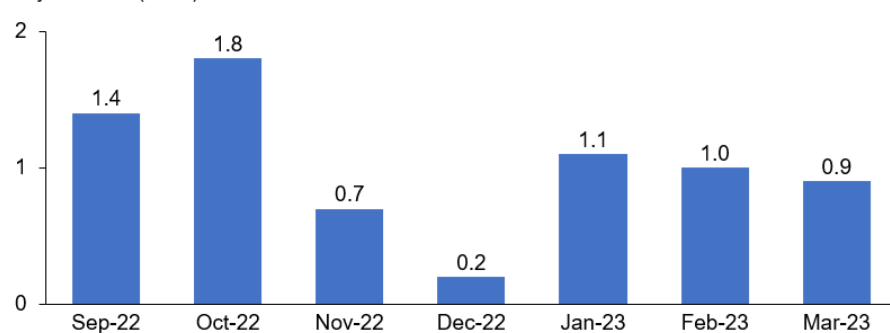
Avg BTC Price (\$000)



Ending Rigs Deployed (000)



Adj. EBITDA (\$mm)



(1) Adjusted gross margin decreased 14% from combination of increased network hash and higher energy costs.

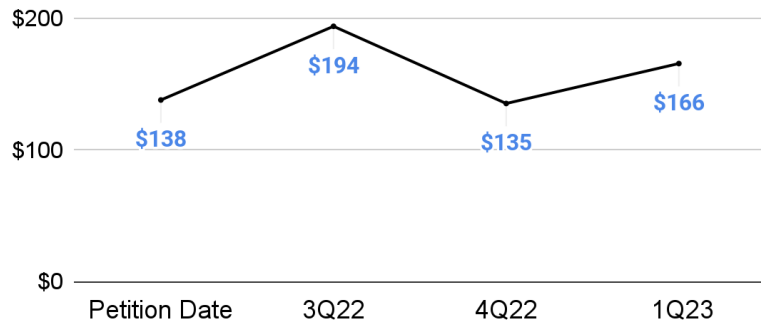
(2) Avg daily BTC mined stayed flat because additional rigs were deployed at the end of the month.

(3) Avg daily BTC mined stayed flat due to lower uptime from curtailment at proprietary sites and transformer outages at OKC facility. (4) Proforma reflects rigs to be deployed at Montana and East Stiles.



Cash Flow & Liquidity (Petition date - March 2023)

Liquidity on hand (in \$mm)



Current Cash balance **\$166mm**;
+\$28mm since Petition Date

+\$28mm net cash flows since the Petition Date

Cash Inflows of \$271mm

- ☐ \$58mm from payments on investments & loans
- ☐ \$72mm from selling mined BTC
- ☐ \$92mm of cash withdrawn from exchanges + sale of stablecoins
- ☐ \$40mm from sales proceed of GK8

Operating Outflows of \$95mm

- ☐ \$49mm of mining hosting fees
- ☐ \$32mm for payroll & other account payables
- ☐ \$14mm for other expenses

Restructuring Fees of \$97mm

Capital Expenditures of \$51mm

Note: There are an additional \$9mm of other cash inflows that are not specifically called out in the explanation in order to total \$271mm.

